

AMENDED IN ASSEMBLY APRIL 16, 2001
AMENDED IN ASSEMBLY MARCH 26, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 695

Introduced by Assembly Member Pescetti

February 22, 2001

An act to add *and repeal* Section 6356.4 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 695, as amended, Pescetti. Sales and use taxes: exemption: energy efficient appliances.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax.

This bill would additionally exempt from that tax residential and commercial ~~appliances~~ *refrigerators, room air-conditioners, clothes washers, and dishwashers* that are energy efficient, as defined. *This bill also would state the intent of the Legislature to encourage the use of energy efficient appliances.*

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. *It is the intent of the Legislature to encourage*
2 *and increase incentives for replacing and recycling inefficient*
3 *refrigerators, room air-conditioners, clothes washers, and*
4 *dishwashers with appliances that meet or exceed the applicable*
5 *ENERGY STAR efficiency requirements developed by the United*
6 *States Environmental Protection Agency and the United States*
7 *Department of Energy, and to thereby lower the demand for energy*
8 *in California. It is the further intent of the Legislature to enact a*
9 *program that would require, in the case of a public utility offering*
10 *a rebate program for recycling inefficient refrigerators, that the*
11 *person or entity seeking a rebate should provide proof that the*
12 *refrigerator has been recycled before that person or entity receives*
13 *a rebate.*

14 SEC. 2. Section 6356.4 is added to the Revenue and Taxation
15 Code, to read:

16 6356.4. ~~There~~ (a) *There* are exempted from the taxes
17 imposed by this part the gross receipts from the sale in this state
18 of, and the storage, use, or other consumption in this state of energy
19 efficient residential and commercial ~~appliances~~ refrigerators,
20 *room air-conditioners, clothes washers, and dishwashers.* For
21 purposes of this section, “energy efficient” means that the
22 appliances meet or exceed the applicable ENERGY STAR
23 efficiency requirements developed by the United States
24 Environmental Protection Agency and the United States
25 Department of Energy.

1 ***(b) The State Board of Equalization and the State Energy***
2 ***Resources Conservation and Development Commission shall***
3 ***prescribe regulations for the implementation of this section.***

4 ***(c) This section shall remain in effect only until January 1,***
5 ***2005, and as of that date is repealed.***

6 ***SEC. 3. Notwithstanding Section 2230 of the Revenue and***
7 ***Taxation Code, no appropriation is made by this act and the state***
8 ***shall not reimburse any local agency for any sales and use tax***
9 ***revenues lost by it under this act.***

10 ***SEC. 2.—***

11 ***SEC. 4.*** This act provides for a tax levy within the meaning
12 of Article IV of the Constitution and shall go into immediate
13 effect. However, the provisions of this act shall become operative
14 on the first day of the first calendar quarter commencing more than
15 ~~90~~ 60 days after the effective date of this act.

